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LAURENCE M. BAER EXECUTIVE VICE PRESIDENT

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

June 4, 1996

CORPACION OFFICE OF SECRE

Federal Communications Commission
Office of the Honorabie Rachelle Chong
Commissioner, Senior Legal Advisor
1919 M. Street, N.W., Room 844
Washington, D.C. 20554

Dear Commissioner Chong:

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I have been informed the Federal Communications Commission is considering a change to the rules that govern a station's ability to preempt network programming. Changing this rule could have significant negative consequences on the ability of the San Francisco Giants to continue to provide baseball games on free over-the-air television.

As I understand the rules, network affiliation contracts cannot contain provisions that take away a local station's right to reject programs. One proposal would narrow the rule to protect a station's proemption right only with respect to public affairs programs. Depending on the terms of the affiliation agreement, stations may be precluded from preempting programs for "economic" reasons, which could include local sports like Giants baseball.

Today, Giants baseball is seen on our flagship station KTVU-TV, as well as on five other local television stations throughout the Giants' territory. Up to now we have been fortunate that KTVU has been able to package and clear local baseball games in the Bay Area. It has become increasingly difficult, however, to find local stations in other areas to carry local baseball games.

Many local stations would like to broadcast these games, but have come under increasing pressure from their networks not to preempt network programs. Our off-air television network is comprised primarily of stations affiliated with either Fex or the newer networks. I am very concerned that if the rules are changed, these stations will be leveraged by their networks to eliminate all sports preemptions. This is especially true with respect to the smaller stations in our off-air network. As the new networks get stronger, it will become even more difficult to find outlets for Giants baseball as these networks pressure their affiliates not to preempt network programs.

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The existing rules provide local stations with a shield when negotiating affiliate agreements with their networks. From my perspective, the networks still have significant bargaining leverage over their affiliates. If the rule is changed, it could become impossible to put an off-air Giants baseball network together. Giants fans in many communities will lose access to these games on free television. Such a result is not in the public interest.

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Sincerely, any Boer

Laurence M. Baer

Executive Vice President and Chief Operating Officer

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